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Report Highlights:

*Vietnam and Thailand to cooperate in rice production and exports *Rice exports hit record high in first four months
*Rice exporters call for quota to be raised *Pepper exports to rake in \$142.5 million in six months *Slow payers worry
tea exporters *Dragon fruit shipments to United States resume by air *Investors see retail sector as most attractive
*Exporters find domestic market tough nut to crack *Vietnam to step up monitoring of seafood production *Sheep and
goats from the United Arab Emirates die of zoonotic diseases *Alarm at national downturn in sugarcane production
*Trade fair offers many opportunities in Cambodia

General Information:

Welcome to "News Summary" from Vietnam, an occasional summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within Vietnam, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues may be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Mission to Vietnam's, or any other U.S. government agency's point of view or official policy.

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Author Defined:

Vietnam and Thailand to cooperate in rice production and exports

Prime Minister Nguyen Tan Dung welcomed the signing of cooperation agreements on rice production, processing, and exports between Vietnam and Thailand, while receiving Thai Commerce Minister Porntiva Nakasai in Hanoi on May 15.

Prime Minister Dung proposed that the two ministries regularly share experiences and effectively implement their signed agreements, especially those on rice exports, trade promotion, and market management.

For her part, Porntiva Nakasai briefed PM Dung on the results of her working session with the Vietnamese Ministry of Industry and Trade, and pledged to realize the agreements signed with the Vietnamese side. She noted that trade ties between the two countries have grown and flourished in recent years, reaching US\$6.2 billion in 2008, up 31 percent over 2007.

(Source: <http://english.vietnamnet.vn/biz/2009/05/847959/>, visited May 22, 2009)

Rice exports hit record high in first four months

By mid-May, businesses throughout the country had signed contracts to export 4 million tons of rice, of which 2.3 million tons has already been shipped to overseas partners, according to the Vietnam Food Association.

With a yearly export target of 4.5-5 million tons this year, within less than five months, 88 percent of the target has been fulfilled (in terms of signed contracts) and 55 percent (in terms of volume) of rice has been exported.

In April alone, Vietnam's rice exports hit 700,000 tons, the highest level since the country started to export rice, up by 27 percent over the same month last year.

(Source <http://english.vovnews.vn/Home/Rice-exports-hit-record-high-in-first-four-months/20095/104298.vov>)

Rice exporters call for quota to be raised

The Vietnam Food Association (VFA) has asked the Government to allow the export of an additional 200,000 tons of rice, lifting the country's rice export target this year to 5.2 million tons.

The association proposed the export increase because it has forecast bumper crops in the next summer-autumn and

autumn-winter harvests. The bumper crops would help the rice industry exceed its yield-target by roughly 500,000 tons.

According to the VFA, domestic rice exporters have so far this year signed contracts to export more than 4 million tons of rice at an average price of \$407 per ton. Most of the Vietnamese rice loaded so far this year went to the Philippines, Cuba, and African countries.

(Source: Vietnam News, May 19)

Pepper exports to rake in \$142.5 million in six months

Vietnam expects to export 54,500 tons of pepper in the first half of this year to earn \$142.5 million, an increase of 16 percent in volume, but a drop of 15 percent in value, reported the Vietnam Pepper Association (VPA).

Domestic pepper prices are fluctuating between VND 30,000-33,000 per kilogram (\$1.71-\$1.89) due to the industry's gloomy outlook, said the VPA. Experts recommend local businesses not export a large quantity of pepper at this time to avoid losses.

Vietnam plans to export 100,000 tons of pepper this year, which accounts for 50-60 percent of the world's market share, according to the VPA. The total volume includes 85,000-87,000 tons expected from this year's harvest and the rest sourced from last year's stockpiles.

(Source: <http://english.vovnews.vn/Home/Pepper-exports-to-rake-in-US1425-million-in-six-months/20095/104333.vov>)

Slow payers worry tea exporters

Tea exports reached 32,000 tons, worth a total of US\$40 million, in the first four months of the year, according to the Vietnam Tea Association.

The figures represent an increase of 116 per cent in volume and 114 per cent in value over the same period last year. However, tea producers are facing difficulties, as most export contracts have delayed payments. Several importers have also proposed prolonging the delivery of export contracts.

To deal with the problem, the association says the Government should have incentive policies, including credit policies, to support tea producers and traders.

The association estimates that tea exports will continue to increase this year, with a target of 117,000 tons, up 13 per cent over last year.

(Source: Viet Nam News, May.16)

Dragon fruit shipments to United States resume by air

A farm in the southern province of Binh Thuan has resumed the exportation of dragon fruit to the United States after a three-month suspension.

The farm manager said the farm would make three shipments a week by air under a contract with United States buyers.

Apart from the change in delivery method, the United States orders will place new requirements for quality and packaging.

(Source: Viet Nam News, May. 22)

Investors see retail sector as most attractive

With Vietnam trying to escape the global economic crisis, investors are now putting their confidence in the retail sector.

A recent study, involving 169 selected participants, carried out by the consultancy firm Grant Thornton Vietnam, titled "Private Equity-Vietnam Investment Environment and Outlook Survey" shows that 70 percent of respondents saw retail as an appealing sector when asked to rank the attractiveness of selected industries within Vietnam for private equity investment.

Industries surveyed included healthcare and bio-tech, oil and gas, agriculture, real estate, transport, financial services,

manufacturing and hospitality and tourism.

(Source: Viet Nam News, May.18)

Exporters find domestic market tough nut to crack

Vietnamese exporters who have been affected by the downturn in international markets say it is more difficult to win hearts of locals than overseas customers.

The global economic crisis has hindered expansion of the export market for local producers. Vietnam's exports declined 0.1 percent to \$18.64 billion in the first four months of the year, according to the General Statistics Office. Many producers have since decided to shift their focus to the domestic market and expand their market share at home. However, these companies like Nhat Tan Garment Company, Minh Long Ceramic Company, and Trung Thanh Furniture Corporation, are finding that a hard task due to the fact that they do not have strong distribution and promotional campaigns in the domestic market, and their products' prices are relatively high.

(Source: Thanh Nien News, May.18)

Vietnam to step up monitoring of seafood production

Vietnam will increase its supervision of early-stage seafood production to assure safety and quality before the products reach processing factories, an agricultural official has said.

The ministry will also implement a system so that the origin of specific seafood products can be traced, said Deputy Minister of Agriculture and Rural Development Luong Le Phuong, who added that the practice was a requirement of the European Commission (EC).

According to the findings released last week by the EC's own investigate officials, only half of all fishing ports and a quarter of the ships inspected met requirements set by the EC.

(Source: Thanh Nien News, May.18)

Sheep and goats from the United Arab Emirates die of zoonotic diseases

Nearly a third of the 2,946 sheep and goats imported from the United Arab Emirates (UAE) since February have died, and tests found the presence of bacteria that can infect humans, while 700 others have been removed from the herds because they were too old and weak.

"Three of four samples sent to Australia tested positive for the Brucella and Leptospira bacteria and the bluetongue virus," said Nguyen Xuan Binh, vice director of the Animal Health Agency Zone No. 6 under the Animal Health Bureau. These bacteria have not been found in other animals in Vietnam thus far, he said.

Earlier, the Center reported that the animals had died after diarrhea attacks.

"The animals are supposed to be used for breeding but they are really disparate," said Pham Dinh Hai, deputy head of Ninh Thuan Animal Health Agency. An agriculture official in Ninh Thuan Province said the animals had no identity documents, although they were used for breeding.

(Source: Thanh Nien News, May.16)

Post comment. See also Post's "News Summary" from 02/27/2009: "Sheep imported from UAE for breeding and meat" (GAIN VM9011).

Alarm at national downturn in sugarcane production

A nationwide sugar production downturn has been blamed on poor farming techniques and a lack of support for growers, causing them to turn to other crops.

The situation has alarmed industry leaders and led to a call for improved sugarcane varieties, better techniques, and more support for farmers to deter them from "defecting."

Deputy Minister of Agriculture and Rural Development Bui Ba Bong, said the country had planted 270,600 ha of sugarcane, down by 36,000ha over the previous crop.

This year's per hectare yield reached 50 tons, a fall of 7.6 per cent compared to the previous crop.

The Sugarcane Association's General Secretary Ha Huu Phai said that more than 20 of the total 40 sugar mills nationwide were forced to stop production before the end of the crop in late May due to a cane supply shortage.

(Source: Viet Nam News, May. 16)

Trade fair offers many opportunities in Cambodia

An investment, tourism, and trade fair is currently underway at the Tinh Bien International Border Gate in the Vietnamese province of An Giang, attracting a large number of Cambodian businesses.

At the opening of the fair on May 14, Deputy Minister of Industry and Trade Nguyen Thanh Bien, said that the event aims to help Vietnamese businesses increase their market share in Cambodia.

More than 200 Vietnamese businesses (from the Mekong delta, the Central Highlands, and Ho Chi Minh City) and Cambodian businesses are exhibiting their products in 500 pavilions, with goods ranging from farm products, seafood, machinery, chemicals, construction materials and consumer items to furniture and handicrafts.

(Source: <http://english.vovnews.vn/Home/Trade-fair-offers-many-opportunities-in-Cambodia/20095/104325.vov>)